

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
JULY 20, 2011**

PURSUANT TO notice given the Wellesley Municipal Light Board ("Board") met in the conference room of the Municipal Light Plant's ("MLP") garage and warehouse, 4 Municipal Way, at 5:30 PM.

PRESENT

Those present included Chairman Thomas E. Peisch and Commissioners Paul L. Criswell, David A. T. Donohue and Edward J. Stewart, III; MLP Director Richard F. Joyce and staff members Joseph A. Bisol, Peter Bracken, Francisco A. Frias, Debra J. Healy, Cynthia R. Lowe, William H. Marsh, Donald H. Newell, Daniel J. Trant and James W. Verner.

William E. Charlton Leadership. Mr. Peisch recognized the outstanding leadership and many contributions provided by Mr. Charlton during Fiscal Year 2011 ("FY11"). All Board Members were in agreement with Mr. Peisch's recognition and asked that the Minutes reflect the Board's appreciation.

APPROVAL OF MINUTES

Upon a motion made by Mr. Peisch and seconded by Mr. Criswell, it was unanimously

VOTED: To approve the June 20, 2011 Public Session Minutes with a revision to the last sentence of the Standard & Poor's summary on page 1.

Upon a motion made by Mr. Stewart and seconded by Mr. Donohue, it was unanimously

VOTED: To approve the June 20, 2011 Executive Session Board Minutes as written.

CITIZEN SPEAK

Mr. Peisch presented all those in attendance with the opportunity to speak on matters of interest with respect to the MLP. No one in attendance wished to speak.

DIRECTOR'S ITEMS

Customer Service Representative. Mr. Joyce introduced the new Senior Customer Service Representative Cynthia R. Lowe to the Board.

Financial Statements. Accounting Supervisor Joseph A. Bisol reviewed the May 2011 and FY11 year-to-date Financial Statements. Increased sales and lower power supply costs have resulted in a significant increase in profits. All three categories of "controllable costs": Administrative & General; Customer Service; and Distribution will come in below budget. Mr. Bisol informed the Board that preliminary results for FY11 indicate a profit of \$3.6 million before the Town Payment.

Mission Statement. The Board reviewed the staff's revisions to the Mission Statement based on feedback received at the May Board Meeting. The Board discussed changes to the proposed language clarifying the importance of maintaining the highest practicable credit rating and purchasing renewable energy at appropriate costs. Upon a motion made by Mr. Peisch and seconded by Mr. Criswell it was unanimously

VOTED: To approve the Municipal Light Plant's July 20, 2011 Mission Statement as revised.

Grounded Power. The Director reviewed the progress made in this energy conservation pilot program.

- Municipal Program – the three municipal buildings participating in this program reduced their collective FY11 electricity consumption by 4% compared to an average increase of 2% for comparable municipal buildings. The 4% reduction provided a savings of \$25,800.
- Residential Program – overall this pilot program experienced mixed success since implementation in April 2010. The six more active participants reduced their June – September 2010 electricity usage by 25% while the average residential usage increased by 17%. A significant number of participants seemed to lose interest later in the year.

Mr. Criswell discussed his experience as a participant in the Grounded Power program. He found the real time usage data to be beneficial and recommended a continuation of the pilot program for another year.

Sustainable Energy Committee. Mr. Joyce updated the Board on the role of the MLP as a member of the Town's Sustainable Energy Committee ("SEC"). The SEC has met twice a month since October 2010. The first few months were dedicated to identifying the major initiatives necessary to reduce Townwide energy consumption by 10% in 2013. Ms. Healy was impressed with the knowledge, professionalism and leadership provided by the SEC Coordinator, Molly W. Fairchild. Some of the successful initiatives undertaken by the SEC include:

- Town Meeting approval of a Stretch Building Code;
- Summer Cooling Campaign;
- Energy audits of the Town Hall and Middle School; and
- Increased enrollment in the Voluntary Renewable Energy Program.

Reliability Results. Francisco A. Frias summarized the fourth quarter and year-to-date FY11 reliability results. The MLP's System Average Interruption Duration Index ("SAIDI") measure of 74 minutes was significantly higher than the two previous years. Mr. Frias reviewed the outages by circuit and cause. The Board asked why there was an increase in equipment-related outages from 4 in 2010 to 15 in 2011. Mr. Frias explained how outages are classified and the impact several thunderstorms had on both "weather" and "equipment" outages. Mr. Joyce stated that the MLP's reliability, even with a SAIDI of 74 minutes was far superior to comparable electric utilities in New England.

Administrative Building Addition. Peter Bracken reviewed the building estimate provided by Gienapp Design Associates. The revised estimate increased the building costs from \$2.0 to \$2.5

million. Gienapp is confident the sub-contractor that provided the estimate, TCI Tortora Consulting ("Tortora") Inc. can be relied on. Mr. Bracken reviewed some of the changes in construction that could be incorporated into the design to reduce costs. He was of the opinion, however, that these design changes would negatively impact the useful life of the building. Mr. Bracken recommended that the MLP proceed with the building addition using the revised cost estimate of \$2,544,232. Mr. Peisch asked what the primary drivers were that resulted in higher construction costs. Mr. Bracken stated the initial cost was determined three years earlier using modular construction savings that never materialized. Mr. Joyce was of the opinion that the more recent estimate relied upon assumptions that were more conservative. For example, Tortora modeled their estimate based on the premise that the project was too small to produce competitive bid benefits. The Department of Public Works building addition is not much larger than the MLP's and they received very competitive bids from seventy sub-contractors and eighteen general contractors.

The Board and staff discussed the bid schedule and mid-November Town Meeting. All Board Members were in agreement that the MLP should submit a Warrant Article for the November Town Meeting increasing the Permanent Building Committee transfer to \$2,544,232. Once bids are evaluated the MLP will request a transfer based on actual bid results. The Director informed the Board that he had spoken with Mr. Charlton and Mr. Charlton was also in agreement.

Payment Options. Debra J. Healy reviewed the technological improvements Suzanne M. Newark and the Customer Service staff made for the billing and collection of water, sewer and electric accounts. The MLP working with the Town Treasurer and NIS Department expect to implement two major upgrades this fall. The first upgrade is to utilize Bank of America's "Paymode Concentrator" to process customer payments generated from their personal computers. This technology allows the Town's lockbox service provider to process this transaction without a payment stub. Ms. Healy said the Paymode Concentrator will provide both financial and operational benefits. The second upgrade is using MCC to provide utility customers with access to their current utility bill on-line. The MCC application also allows customers to pay their utility bills using Master Card, Discover and American Express credit cards. The Board expressed their appreciation to Ms. Healy and the Customer Service staff for their efforts to improve services to businesses and residents in Wellesley.

Director's Objectives. Mr. Joyce reviewed the status of FY11 Objectives. Fourteen of the seventeen Objectives were completed. The safety and building addition were partially completed. Only the internal Cost of Service Study was not completed. This Objective was carried over to Fiscal Year 2012.

Miscellaneous

- Retirement reception for Stephen S. Fader will be held on July 26th at the Wellesley Country Club.
- A \$1.2 million lawsuit has been filed against Unitil for a meter multiplier billing error.
- The Board expressed their gratitude to Line Supervisor James W. Verner for his extraordinary efforts in resolving the Linden Street power outage on June 25th.
- MLP golf tournament scheduled for August 9th at Marlborough Country Club.

Executive Session. Mr. Stewart polled each member for authorization to enter into Executive Session. All members responded in the affirmative and the Board entered into Executive Session at 6:45 PM for the sole purpose of evaluating the progress made in Production Union mediation.

Return to Public Session. The Board returned to Public Session at 6:57 PM.

ADJOURNMENT

The Board Meeting adjourned at 6:57 PM.

Respectfully submitted,

Edward J. Stewart, III, Secretary